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USDOC FOR 4530/MAC/ANESA/OSA
ICE HQ FOR STRATEGIC INVESTIGATIONS
STATE FOR EB/ESP

E.O. 12958: N/A

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SUBJECT: EXTRANCHECK: POST-SHIPMENT VERIFICATION: AKER KVAERNER
POWER GAS LIMITED (D355666).

REF: USDOC 03123

11. Unauthorized disclosure of the information provided below is prohibited by Section 12(c) of the Export Administration Act.

12. On May 21, 2008, Export Control Officer (ECO) Paul Cushman and BIS FSN Shailendra Srivastava conducted a Post-Shipment Verification (PSV) at Aker Kvaerner Power Gas Limited (AKPG), Mumbai.

13. BIS requested a PSV at AKPG, a private sector company located at Power Gas House, 177 Vidyanagari Marg, Mumbai. AKPG was listed as the ultimate consignee and SMDP Pumps & Engineering Limited (SMDP) as the intermediate consignee for one Magnetic Drive Centrifugal Pump (Model UC-1516) manufactured by Finish Thompson Inc. of Erie, Pennsylvania. Export License: D355666. ECCN: 2B350.

14. ECO and FSN Srivastava met with Mr. Gaurav Kumar, Manager - Project Procurement, AKPG, in a conference room at Power Gas House.

15. Kumar was not aware of BIS regulations and this was the first visit by BIS officials to his facility. Kumar provided copies of documents pertaining to this transaction including AKPG Purchase Order on behalf of SMDP, SMDP Commercial Invoice, Delivery Challan, and Packing List. Kumar stated that the pumps had been installed at Tamil Nadu Newsprint & Papers Limited (TNPL), a paper manufacturer based in Chennai.

16. Kumar went on to explain AKPG's role in this transaction. AKPG is a start-to-finish contracting firm. Customers come to them with a set of functional requirements. AKPG then designs a facility to meet those requirements and manages the procurement of all necessary equipment and materials which are drop-shipped to the construction site. Lastly, AKPG supervises the construction of the facility by numerous subcontractors. SMDP installed this pump and it became operational in early 2008.

17. Kumar confirmed the stated end-use. He explained that the pump is used by TNPL to transfer hydrochloric acid from storage tanks to a plant where it is converted into chlorine dioxide. Chlorine dioxide is used as a bleaching agent in the paper manufacturing process.

18. Established in 1973, Aker Kvaerner Power Gas Limited is the engineering and construction division of Aker Solutions which serves the Oil & Gas, Refining & Chemical, Mining, and Power Generation industries. AKPG has approximately 1,100 employees.

19. Recommendation: Based upon a review of documents and information provided by Aker Kvaerner Power Gas Limited, it appears that this controlled technology is being used by a legitimate end-user in a manner consistent with the Export Administration Regulations. However, because a physical inspection of the item could not be

performed, this Post-Shipment Verification remains inconclusive.
MULFORD